



CI AUSTRALIAN EQUITIES FUND
Information Memorandum

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This Information Memorandum has not been nor will be lodged with the Australian Securities and Investments Commission. The offer of units contained in this Information Memorandum is an offer of units that does not require the giving of a Product Disclosure Statement in accordance with Division 2 of Part 7.9 of the Corporations Act 2001 (Cth) ("Corporations Act"). Cooper Investors Pty Limited ("CI") has prepared this Information Memorandum to provide background information for investors considering applying for units in the CI Australian Equities Fund. The information in this Information Memorandum is general information only and does not take into account an investor's individual objectives, situation or needs. Each person who applies for units pursuant to this Information Memorandum will be required to subscribe for units with the minimum amount payable on acceptance of the offer of at least \$500,000 or such lesser amount determined by CI in its discretion or by transfer of property with the prior approval of CI. CI does not guarantee the performance of the Fund or the return of capital to unit holders. Investors should read this Information Memorandum in its entirety prior to investing and, where appropriate, seek independent professional advice. In this Information Memorandum references to "we", "us" and "our" refer to CI. For further terms and conditions please see page 21 of this Information Memorandum.

SUMMARY OF THE FUND

Date of Information Memorandum	16 April 2012
The Investment	Units in a unit trust – the CI Australian Equities Fund (the "Fund").
Minimum Initial Investment	\$500,000 (see page 15).
Investment Risk and Return Objectives	<p>The objective of the Fund is to generate long term returns by investing in a range of Australian and New Zealand listed securities. It is a long only portfolio of 20-45 stocks.</p> <p>The Fund may own up to 10% of the portfolio in New Zealand listed securities. (See page 3 for the Manager's policy on currency hedging).</p>
Investment Strategy	The Manager will use CI's VoF research framework to assess individual companies and industries and to construct a portfolio that aims to achieve the risk and return objectives. This means that we seek to invest in quality companies with a strong value proposition. The Fund will generally be fully invested and the level of exposure to specific companies, industries and markets will be selected by CI's small focused, experienced team using our VoF systems.
Manager	Cooper Investors Pty Limited ("CI" or the "Manager").
Custodian	National Australia Bank Limited.
Benchmark	S&P/ASX 200 Accumulation Index.
Distributions	Income distributions will normally be paid half-yearly as at 31 December and 30 June (although the Manager has the discretion to distribute more frequently) and will automatically be invested in further units unless a unit holder elects otherwise.
Applications	Following the minimum initial investment, \$50,000 minimum tranches may be invested on each Tuesday and the last day of each month (see page 15 for details of procedure and Transaction Costs).
Redemptions	\$50,000 minimum tranches (provided that the unit holder maintains a minimum investment of \$500,000) may be redeemed on each Tuesday and the last day of each month, with 1 business day's notice. (See page 15 for details of procedure, Transaction Costs and situations where the Manager may not give effect to a redemption request).
Management Fee	0.75% per annum of the Net Asset Value (before fees and expenses) plus GST calculated and paid monthly in arrears directly from the Fund.
Performance Fee	10% of the Fund's out-performance of the Benchmark plus GST (calculated and paid monthly in arrears directly from the Fund). A rolling 3 year high water mark applies. Full details are on page 13.

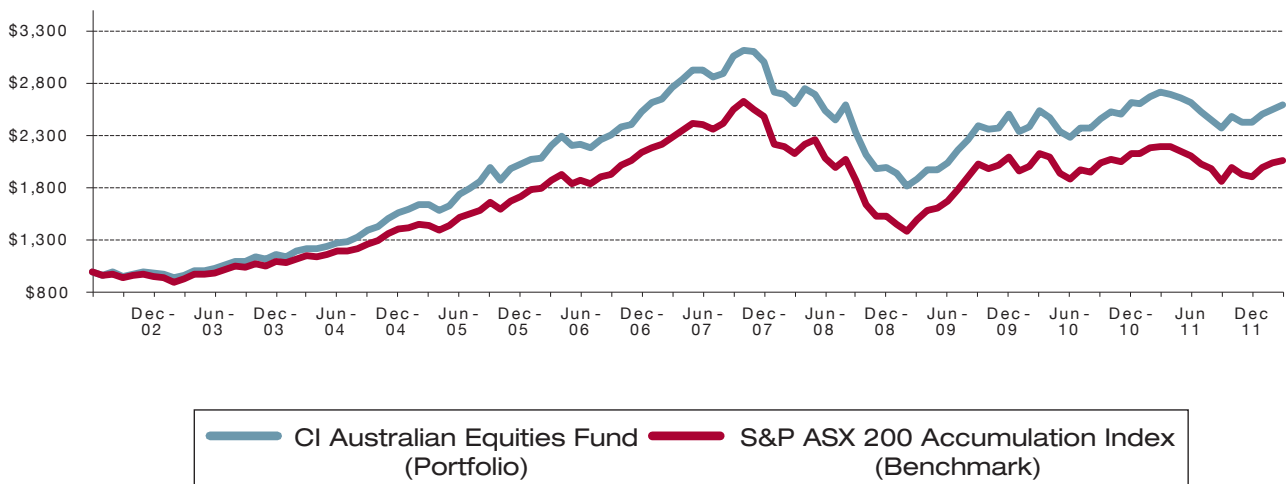
This summary sets out some of the key information you can find in this Information Memorandum, but it is not a complete summary. Before making an investment you should read the whole Information Memorandum and seek any professional advice you need.

PERFORMANCE OF THE FUND

PERFORMANCE HISTORY

Performance of the CI Australian Equities Fund to 31 March 2011

**CI Australian Equities Fund – Net of Fees
\$1000 Invested Since Inception**



	PORTFOLIO Gross – before fees and expenses	BENCHMARK	VALUE ADDED
ROLLING 1 YEAR	-4.03%	-6.06%	2.03%
ROLLING 2 YEAR *	1.74%	-1.43%	3.17%
ROLLING 3 YEAR *	11.99%	11.25%	0.74%
ROLLING 5 YEAR*	-0.36%	-2.04%	1.68%
ROLLING 7 YEAR*	7.76%	5.26%	2.50%
SINCE INCEPTION *	11.42%	7.73%	3.69%
SINCE INCEPTION ^	186.78%	106.51%	80.27%

* Annualised

^ Cumulative – Inception Date was 4 July 2002.

Note: Past performance is not necessarily a reliable indicator of future performance.

Up-to-date performance information can be obtained each month from our website – www.cooperinvestors.com



STRUCTURE OF THE CI AUSTRALIAN EQUITIES FUND

INVESTMENT RISK AND RETURN OBJECTIVES

The objective of the Fund is to generate long term returns by investing in a range of Australian and New Zealand listed securities. The Fund will focus mainly on ASX 200 companies.

PORTFOLIO CONSTRUCTION

In order to achieve the risk and return objectives, the Fund prefers to invest in securities over a long term investment horizon. The portfolio construction is implemented with limited reference to the Benchmark. Specific stock and industry weightings are entirely at the discretion of the Manager and will be selected based on the risk and return profiles of the industries and stocks in question. The Manager will alter the individual stock exposures over time to increase participation in specific opportunities or reduce positions if more challenging investment conditions occur.

Initial stock weightings are generally 1-4% and can be higher with increasing confidence (up to a maximum stock weighting being the higher of 10% of Net Asset Value or 2 x the stock weight in the Benchmark).

The portfolio is structured on the basis of a long term investment horizon. Ultimately the success of the Fund rests on the Manager's ability to allocate capital soundly using its experience, investment philosophy, VoF investment systems, knowledge and cultural values.

INVESTMENT STRATEGY

The Manager will use CI's VoF research framework to assess individual companies and industries and to construct a portfolio that aims to achieve the risk and return objectives. The Fund will generally be fully invested and the level of exposure to specific companies and industries will be selected using CI's VoF framework (see page 10). CI believes that, over the long term, sustainable returns within acceptable risk parameters can be achieved by CI's small, focused, experienced team applying our VoF investment systems.

AUTHORISED ASSETS AND LIABILITIES

The Constitution of the Fund provides the Manager with very broad investment powers to invest in, dispose of or otherwise deal with property and rights in its absolute discretion. See page 17 for a list of authorised assets and liabilities. Therefore, the investment strategy outlined in this Information Memorandum may change over time.

CI's current intention is to invest in the following asset classes and to use the following investment tools in the management of the Fund:

- Australian and New Zealand listed securities;
- Cash;
- Spot and forward foreign exchange contracts;
- Unlisted securities; and
- Units or shares in listed and unlisted funds that predominantly invest in listed securities.

CURRENCY HEDGING

It is the Manager's policy, as at the date of this Information Memorandum, not to hedge the Fund's exposure to assets denominated in New Zealand dollars. The Manager may, in its absolute discretion, change this policy at any time.



STRUCTURE OF THE CI AUSTRALIAN EQUITIES FUND

INTERNAL RISK GUIDELINES

CI has set the following internal risk guidelines. The guidelines may be amended from time to time by the Manager, in its absolute discretion, without notice to unit holders.

- Target number of stocks is typically between 20 to 45.
- Maximum individual stock exposure is 10% of Net Asset Value or 2x index weight, whichever is greater.
- Maximum cash is 10% of Net Asset Value.
- Maximum Industry Group GICS (second level) of Benchmark +/-20%.
- Maximum Small Cap weighing is 20% of Net Asset Value or index +10%, whichever is greater.
- Tracking error is between 3-7%.

ABOUT COOPER INVESTORS

HISTORY

CI is a specialist equity fund manager with funds under management of approximately A\$5 billion as at the date of this Information Memorandum. We commenced operations in 2001 and we manage money for a range of clients including large pension and superannuation funds, listed Australian companies, religious institutions, Australian State Government agencies, school endowments, charities and high net worth families. CI is 100% owned by its employees.

CI manages 5 pooled wholesale trusts (the CI Australian Equities Fund, the CI Asian Tiger Fund, the CI Brunswick Fund, the CI Global Equities Fund and the CI Global Equities Fund (Unhedged)) and a number of individual mandates which invest in Australian equities, international securities or a mixture of both. Employees are encouraged to invest in the CI trusts.

5 KEY CI VALUES

The following values drive how we operate our business and influence our investment decision making (see page 10). It is our belief that these play an important part in CI being able to sort opportunities in the genuine investment category from those that are not "bona fide". The CI values are critical in guiding our thinking through changing times.

These attributes are also embedded in CI's performance reviews and staff are evaluated and rewarded on their adherence to these values.

Gratitude and Humility ~ Positive and respectful attitudes operating with self awareness and confidence. We value debate and learning; we acknowledge the beliefs, views and attitudes of others, while at the same time having clear, concise and rational investment beliefs of our own. In the investment context, this leads to better understanding of business trends and opportunities as well as creating a sound foundation for investment decision making.

Intentionality ~ We are active, passionate investors. Our intention is to focus on industries, assets and companies that have value latency, with positive operational, industry and strategic trends run by management and industry leaders with passion, energy, clarity and competence. We believe that by focusing on CI's investment principles and business philosophy performance and business success will come. *Facta non verba* (action and focus, not words) will determine our success.

Curiosity and Passion ~ We learn through doing the work. The curiosity and passion to learn how businesses and markets work underpins investment insight and sustained performance.

In the Moment and Present ~ Observe don't predict. Concentrate on the things that make a difference and be detached from the things we don't know or can't change.

Authenticity ~ We are open and honest with our clients, employees and business service providers. We don't mind being different to others.

BUSINESS ADMINISTRATION

Our approach to business administration is "efficiency without bureaucracy". We have underpinned our business with the systems and processes that we believe are the best available. Where we can identify better proprietary ways to systemize, we develop in house solutions. We are frugal in our own actions and prefer companies and partners that have the same philosophy.

THE CI EDGE – WHAT MAKES US DIFFERENT

- Adherence to CI values in corporate action and investment management.
- Small, experienced, focused teams.
- Performance reviews – Reward both cultural and performance contributions.
- Decision making – Flat management structure that is flexible but disciplined.
- Management own the business and invest in the CI Funds.
- Critical mass – A\$5 billion (approx) funds under management is big enough to gain market access but not too big to compromise the investment objectives.
- High quality integrated administration and proprietary investment decision support systems.
- "A" grade service providers.

ABOUT COOPER INVESTORS

CI'S STRATEGIC INTENTIONS

- Continuous focus on and commitment to the execution of CI's beliefs.
- Be highly active with regard to risk taking and risk management.
- Develop investment capability that offers diversification, optionality and complimentary benefits.
- Hire and reward people that deliver on both performance and cultural attributes.
- Be an efficient, low cost operator without bureaucracy.
- Develop operational excellence through being well organised and systemised.
- Continuous reinvestment to further improve the business.

CI'S "ENVIRONMENTAL, SOCIAL AND GOVERNANCE" ("ESG") POLICY

CI takes its role as a good corporate citizen seriously. We believe that:

- with success comes responsibility;
- a whole of life (long term) approach to decision making is good business practice;
- ethics should not be separated from investment decision making; and
- we should obey the spirit as well as the letter of the law.

CI believes very strongly that it is important, both as an investor and as a company, to take ESG issues into consideration in the conduct of our business.

As an investor...

ESG issues are environmental or social issues arising from a company's operations or the governance aspects of a company's operations.

Key Principles

- We believe that through the responsible application of our investment philosophy and VoF investment process, we can effectively assess ESG issues that may have an impact on a company's long term sustainability. We believe that this means that by backing companies with VoF attributes, we also improve the sustainability of the Fund's returns and reduce risk.
- CI views its role as a "whole of life" (long term) investor. We

value long-term, sustainable earnings, assets and dividends of a company. We consider a company's goals, strategy, structure and governance. We believe strongly in the importance of understanding, influencing and engaging with management on relevant ESG matters.

- We are not the arbiters of the community's values or morals. We observe current community values and morals (and they do change over time) and we assess the likely impact of those values or morals on a company. We think it is the responsibility of the board and management to work out the right balance between the interests of all stakeholders (shareholders, employees, customers and the broader community). This often involves a trade off between the various choices faced by companies, which do not always result in a "moral triumph".
- We do not negatively screen companies in our investment process, i.e. refuse to invest in companies which engage in certain activities, e.g. gaming. We filter a large amount of information on ESG factors and we then undertake a qualitative analysis to determine those factors which may affect the long term value of a company, and hence impact on returns for our unit holders.
- We take an active role in proxy voting. We engage with companies on ESG issues in areas where we believe we can make a difference in the interests of shareholders.

As a company...

CI is a company founded on its 5 key values. A practical application of those values is the consideration of ESG issues in the way we conduct our business. We have a number of measures in place which reflect our consideration of environmental and social issues. These include:

- a corporate Philanthropy Fund, with a committee made up entirely of employees, which sponsors a number of charities focused on social issues in Australia and overseas; and
- a green policy which commits CI to initiatives designed to save resources such as paper and electricity and to participate in carbon credit schemes (through use of electricity and travel).

CI INVESTMENT TEAM

PETER COOPER

Portfolio Manager – Australian equities
Managing Director/Chief Investment Manager
BBus (Ec), Grad.Dip. Fin Mgt., F Fin,
ACID, ACA



In August 2001 Peter founded Cooper Investors. He has over 20 years money management experience. Starting in 1987, as a specialist industry analyst at the NSW State Superannuation Investment and Management Corporation, he progressed to deputy manager of the \$7 billion portfolio as well as running individual portfolios. In 1993 Peter ran the Australian equity portfolios for BNP and for 7 years was with Merrill Lynch Investment Managers Limited ("Merrill Lynch") (until August 2001). As Head of Australian Equities and Managing Director at Merrill Lynch (formerly Mercury Asset Management), Peter was responsible for overseeing the team that managed \$7.5 billion in Australian equities. Over 5 years the specialist equity portfolio was the number 1 performing fund in the Intech Australian Equity Survey. Under Peter's leadership, in 1998, Merrill Lynch received the Australian Equity Manager of the Year award for exemplary performance.

STEPHEN THOMPSON

Portfolio Manager – Australian equities/
Director
BEc, F Fin



Stephen joined CI as a portfolio manager in early 2002. He has over 20 years experience in investment management. From 1983 to 1985 Stephen worked in the SECV Treasury Department. His role included investing or borrowing in the short-term money market, negotiation and administration of domestic and offshore loans. In 1985 Stephen joined the Investment Division of the SECV Superannuation Fund and became Manager Investments, responsible for domestic equity, fixed interest, indexed bond, infrastructure and currency portfolios. In 1997 Stephen joined Aberdeen Asset Management as Director Equities with particular responsibility for the industrial, 50 Leaders and income portfolios.

ANDREW SWAN

Portfolio Manager – Australian equities/
Director
LLB, BEc, MBA



Andrew joined CI as a portfolio manager in August 2001. He has over 15 years of funds management experience. Having spent a short period at Fidelity Investments in London, Andrew joined Merrill Lynch in 1994 where he managed Australian equity portfolios, including the number 1 performing portfolio from 1995 to 1999 (Intech Survey) with Peter Cooper. Andrew was a member of the team that received Australian Equity Fund Manager of the year in 1998. Andrew left Merrill Lynch to become Head of Australian Equities at AXA Australia in July 1999 where he was responsible for managing portfolios and overseeing a team managing \$3.8 billion of Australian equities. Andrew was also a member of the Asset Allocation Committee at AXA.

JENNIFER MEAD

Deputy Portfolio Manager/
Research Analyst – Australian equities
BEc, Grad Dip Business Administration,
Grad Dip Applied Finance and Investment



Jennifer completed a number of strategic consulting assignments for CI in the 4 years prior to joining the company as a permanent employee in 2008. She has over 25 years experience as an industry economist and strategic advisor to top 500 companies including over 20 years at the IBIS group where she ran their strategic consulting practice.

Along with stock specific responsibilities, Jennifer contributes to research across all the CI portfolios and the ongoing development of the CI proprietary data and knowledge bases. Jennifer has considerable experience in identifying macro and micro economic, social, industry and company trends and drawing investment implications.

CI INVESTMENT TEAM

RYAN GREEN

Research Analyst – Australian equities
B.Comm, B.Eng (Hons)



Ryan joined Cooper Investors in February 2011 after 4 years with Goldman Sachs JBWere. Most recently Ryan was an Associate Director within the investment banking division, advising Australian and global resources companies on capital raisings, M&A and other strategic transactions. Ryan also worked as an analyst in GSJBW's principal investment group, gaining exposure to the media, consumer, industrials, energy and resources sectors.

RYAN RIEDLER

Research Analyst – Australian equities
B.Comm, Grad Dip Applied Finance and
Investment, F. FIN



Ryan joined Cooper Investors in July 2010 after 7 years with Ernst & Young. Most recently he worked in the corporate finance division and specialized in business valuations and modelling, providing valuation advice for a multitude of purposes including accounting, taxation, financial due diligence and strategic advice. Prior to this Ryan worked in Ernst & Young's Financial Services Risk Management team providing integrated risk management and regulatory advisory services to the banking and capital markets, insurance, asset management, and corporate treasury sectors. Ryan has had exposure to a broad range of sectors including financials, industrials (small caps/emergent companies), resources, infrastructure and internet-based companies.

ALEX WHITE

Research Analyst – Australian equities
BBus (Econ & Fin)



Alex joined Cooper Investors in March 2011. Most recently he was a Strategy Analyst at Fletcher's Building, working on profit improvement initiatives (including complexity reduction and pricing projects), acquisitions and capital expenditure proposals. Prior to this, Alex worked in corporate advisory and as an analyst at S&P, gaining exposure to a range of sectors including infrastructure, banks, governments and education.

ROBERT PALMER

Portfolio Manager – CI Asian Tiger Fund



Robert commenced working in the stockbroking industry in 1978 when he joined Capel Cure Myers in London, working on the retail/advisory side of the firm's business where his duties included assisting in advising wealthy retail clients/families on their investment portfolios in the UK and overseas, including Asia. Following this, he spent a number of years working for James Capel in the institutional area where, inter alia, he was responsible, with others, for servicing sovereign wealth funds in the Middle East and Asia.

Robert came to Australia in 1983 when he joined Potter Partners in Melbourne and was made a partner of that firm in 1986. While employed by Potter Partners, which was subsequently absorbed through a series of takeovers to become UBS, Robert worked in a number of different areas including the Institutional side, Smaller Company area and Equity Capital Markets (ECM). More recently, Robert has worked for Bell Potter Securities in the ECM area, before joining CI in April 2007.

CI INVESTMENT TEAM

LYN FOO

Deputy Portfolio Manager/
Research Analyst – Asian equities
B.Comm (Hons)



Lyn Foo joined Cooper Investors in March 2009. Prior to this, she was an analyst and research salesperson, in Australia and more recently Hong Kong, with UBS.

Lyn has also previously worked in investment banking at Citigroup Salomon Smith Barney as well as funds management at National Mutual Funds Management, where she was an emerging companies' research analyst. In total, Lyn has had 13 years of equities market experience, including 7 years in Asian markets.

SHEN SHEN (CAROL) FANG

Dealer / Research Analyst - Asian equities
B.Comm (Finance and Economics),
B.Information Systems



Carol joined Cooper Investors in April 2008. Initially she worked in the foreign exchange and international trade support area where she was responsible for settling trades with foreign brokers and currency exchange hedging. Carol joined the Asian Equities team in 2011 where she is responsible for the dealing on the Asian equities portfolios and undertaking analysis on Asian securities.

Prior to joining Cooper Investors Carol worked at Goldman Sachs JBWere in the Wealth Management division for two years. Carol is a Chinese national and was educated in China and Australia.

CHRISTOPHER DIXON

Portfolio Manager – Global Equities Funds
CA, BA (Hons)



Christopher joined Cooper Investors as a portfolio manager in November 2011 and has over 10 years experience working in international equities. Most recently he spent four years running portfolio management and trading at the Richard Chandler Corporation in Singapore and Dubai. Prior to this he was part of a Fund of Funds team at Lehman Brothers in London for a number of years where his primary responsibility was valuing the product portfolio and analysing new business opportunities. As a qualified chartered accountant he commenced his career in Assurance and Advisory at Ernst & Young in London.

Christopher has had exposure to a broad variety of countries and sectors and he is the team's lead analyst covering energy, materials, financials and utilities.

ALLAN GOLDSTEIN

Portfolio Manager – Global Equities Funds
B.Comm



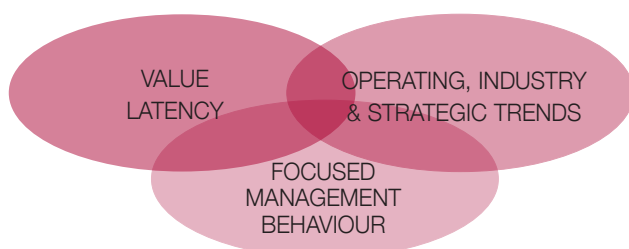
Allan joined Cooper Investors in February 2007 after completing a Bachelor of Commerce, majoring in accounting and finance.

Since joining Cooper Investors, Allan has worked on the global equities portfolios. He is the team's lead analyst covering healthcare, telecommunications, industrials and information technology (though he also takes an active role in the assessment of all global industries and trends).

As at the date of this Information Memorandum, the CI investment team comprised the individuals on pages 7 to 9. CI may change its investment staff from time to time and may change the roles and responsibilities of investment staff from time to time. Any changes to investment staff or roles and responsibilities will be updated on CI's website.

CI'S INVESTMENT PHILOSOPHY

LONG TERM OBSERVATIONAL INVESTOR



CI prefers to allocate capital to companies and industries with a specific value proposition that are performing well or in an early phase of turnaround (observation of operating, industry and strategic trends) with focused management (value based leadership).

An observational investor accepts that the future is uncertain and that the past may repeat in unusual and unpredictable ways. However, by being focused (present and in the moment) we seek to identify value latency which may be derived from the net worth of a company's existing cash flow and net assets or future value that is latent within a company or industry due to their growth opportunities and competitive advantage.

CI's investment philosophy starts with the proposition that in most years there are a number of exceptional opportunities; each decade there are a few really big trends that drive economic, political and social behaviour; and in every field of endeavour there are a few exceptional people.

Events that can lead to opportunities include:

- Sectors with hidden assets and liabilities;
- Corporate restructurings;
- System shocks (perceived or actual);
- Liquidity events and capital raisings; and
- Shifts in industry supply, demand, costs and prices.

OUR INVESTMENT VISION

A focused application of CI's VoF investment process by experienced, focused, action-orientated teams in order to identify good companies with VoF qualities.

OUR INVESTMENT PHILOSOPHY

CI's investment philosophy is based on 3 key tenets.

- 1) The best risk adjusted returns are found when a stock has all three VoF qualities.
- 2) CI's VoF research work is a process of observation and comparison, i.e. looking for the best value opportunities.
- 3) CI looks to control risk by looking for value that is "anchored" in economic, political and social norms and measurements. To understand value we look at sales, costs, margins and returns, asset replacement value, asset/liability structure, cash generation, competitive advantage and position and latent value options. We dislike relying upon predictions to justify value.

OUR INVESTMENT PROCESS

VoF is a discipline to process complex qualitative and quantitative information on stocks and industries.

VoF stands for:

1. Value Latency;
2. Operating, industry and strategic trends; and
3. Focused industry and management behaviour.

The VoF process provides a useful framework to:

- a. assess companies for their value latency, i.e. investments that provide upside due to their ability to generate more cash back than they outlay, taking into account cash flow, growth options, assets, risks and the cost of money;
- b. identify and observe operational, industry and strategic trends. We are interested in indicators, themes, milestones, catalysts, events and corporate actions that either precede an improved outlook for the company/industry or confirm underlying sustainable trends; and
- c. appraise company management and industry behaviour. We are looking for focused leaders that demonstrate a clear focus, vision, authenticity, energy, passion and competency for the business/industry.

CI'S INVESTMENT PHILOSOPHY

There are five key elements to CI's process.

1. Gather knowledge ~ ideas and knowledge are gathered through a wide range of sources, including; reading periodicals, journals, newspapers, blogs, broker reports and annual reports; consulting industry experts; and conducting financial analyses. We further enhance our information through a program of industry and company visits gaining insights and knowledge of stocks, industries and themes. In the last financial year the investment team has made over 700 one-on-one company or industry meetings in person or by phone in more than 20 countries.
2. Analyse research ~ information obtained from research is compared using the VoF process and is recorded in the CI proprietary database.

We place as much emphasis on the qualitative as we do the quantitative – beliefs and values drive customers, boards of directors and management teams. In other words behind every number there is a human action. We attempt to understand a company's culture, structure and reasons for management's behaviour and actions.

We use a range of valuation methods including cash flow based valuations, EV to sales, earnings multiples, price to book and assets, PEs and yields as a way of assessing comparative value. Operating, industry and strategic trends includes an assessment of current conditions and identification of key drivers for each stock, industry or asset.

The assessment of management is a qualitative judgment of the industry and/or company management capabilities and behaviour.

3. Stock Selection ~ We are attracted to stocks with good value propositions determined by using CI's VoF proprietary methodology.
4. Portfolio Construction ~ CI believes in focused portfolios that reflect our long term beliefs and ideas. We seek diversity across stocks, industries and geographical exposures. Our portfolios are generally constructed with little reference to index weights but we are aware of the Benchmark composition. To this end portfolio performance may vary materially from the index. In constructing portfolio weights we also consider market cap and liquidity risk.
5. Review and risk management ~ We regularly review our positions driven by the fact that things are constantly changing and that what people say and do are often different. Review is formally carried out through regular risk management, company and research meetings.

INVESTMENT BELIEFS

The following investment beliefs are the product of the investment team's combined years of experience in investment markets.

Our beliefs concerning the art and science of investing

- Observation not Prediction ~ the future is unknown. We are more interested in specificity and factual evidence. Being present and observant to current conditions and trends provides better opportunities to make low risk investments.
- Good investing is a process of searching and backing the best ideas. CI's VoF investment process helps us understand and compare investment opportunities.
- We are cognisant of history in investment, but respect the fact that the world continues to evolve. We welcome and endeavour to understand change as it is the source of risk and opportunity.
- Only a few quality ideas are required to construct good portfolios so there is no need to cover and know everything. Opportunities are limited by scarcity in knowledge, energy and insightfulness.
- There are only a few key things that make a stock/sector/asset move. Knowing everything doesn't help if you can't see the "wood from the trees".
- We are driven by both qualitative and quantitative information. We spend as much time on non-financial and behavioural drivers as financial metrics.
- We follow a consistent and disciplined approach to investment, fully appreciating that it is often necessary to take a long term view to achieve the desired returns. Patience is a virtue in the investment world. Our investment style can result in us taking a contrary view, which may take time to come to fruition.
- We allocate capital to the best VoF ideas. We prefer this over other modes that allocate for sentiment, index and product reasons. We also don't rebalance portfolios indiscriminately - this is akin to "pulling flowers out of the garden rather than the weeds" and generates unnecessary portfolio turnover. We aspire to keep portfolio turnover (and thereby trading costs) at modest levels as well as giving consideration to tax issues.
- With complexity comes process maintenance, which can divert focus.

Our beliefs concerning value

- Value Latency - behind every security, sector or asset in the portfolio there needs to be a sensible value proposition. CI focuses on sales, costs, margins, replacement value, cash generation, asset values and utilisation, liabilities and latent options. We prefer not to rely on predictions.

CI'S INVESTMENT PHILOSOPHY

- We consider relative value methods to be dangerous once they detach from the economic principle that risk needs to attract a commensurate return.
- We understand value means “different things to different people” and as such we prefer our VoF process as distinct from being labelled a thematic, top down, bottom up, value or growth investor. In reality, we are a blend of these things.
- Growth and growth options are a subset of value. We believe flexibility is important in investment as many businesses/companies have different characteristics as a matter of fact or relating to the stage of their corporate life cycle. For example, mature companies frequently pay good dividends, while growth companies reinvest most of their cash flows in pursuit of earnings per share gains. Similarly, cyclical companies are rewarding investments when purchased at the right time, while the investment merits of asset situations, management turn-arounds and restructuring are well known.
- We aim, as a preference, to purchase businesses with high levels of reoccurring income and stable (or increasing) profit margins. Continuity of earnings per share growth trends and a high return on equity (ROE), which frequently is indicative of some form of proprietary advantages, are also generally desirable traits.
- We rate highly a company that has strong sales and marketing capabilities and one that invests a respectable percentage of its sales in its future via research and development expenditure.
- We focus on businesses/companies with conservative balance sheets and/or respectable levels of interest cover.
- We favour companies with observable growth drivers and positive information flow which can fund their growth internally.
- We place great importance on stable, honest, hard working and innovative management who maintain an “open and frank dialogue with investors” and whose interests are aligned with shareholders. Internal promotion of staff is seen as an important attribute and one that is indicative of depth in management.

Our beliefs concerning risk

- The best low risk investments are easy to articulate with reasons that are clear and specific. Every great story has a simple plot and a hero. Language quality and specificity are good indicators to the strength of the value proposition.
- What is low risk today is not necessarily low risk tomorrow and vice versa. What the market doesn't know is probably going to have a larger impact than what it already knows. Often opportunities occur because the market prices on the fact that a recent risk event will repeat itself. Sometimes the market misjudges the perception and reality of risk.
- Over the long term increasing returns by 1% p.a. is valuable whereas reducing the annual portfolio volatility or standard deviation versus a broad index is marginal or meaningless. We accept volatility as the cost of higher long term returns.
- We want to have a sensible balance between a focused portfolio and one that provides adequate diversification by industry and stock. Our aim is to try and ensure risk and reward are always in equilibrium.
- We believe the best way to manage portfolio risk is to combine industry diversification with our VoF stock and industry comparisons.

Our beliefs concerning businesses/industries

- Time allocation is best skewed toward people at the “coal face” of business and industry.
- We like companies that have low production costs as this usually means a modest break-even price and elevated profit margins.

Our beliefs concerning risk adjusted value

- We aim to find businesses that have the ability/potential to recoup cost inflation; and increase real prices without volume losses i.e. low price elasticity.
- We look for businesses that display scarcity, quality and liquidity; rising market share; and signs of being in the early phase of change/recovery.
- We monitor the following risk and portfolio attributes – stock weightings; milestones, event risks; industry weightings; and international exposures.

FEES AND EXPENSES

MANAGEMENT FEE

For the duration of this Information Memorandum, the Manager intends to charge a management fee of 0.75% per annum of the Net Asset Value (before fees and expenses) plus GST. The Manager may pay, from its fee, a rebate of a part of the fee or other payment to one or more unit holders. Under the Constitution, the Manager is entitled to receive the management fee (calculated on the last business day of each calendar month) within 14 days of the end of each calendar month.

EXPENSES

The Manager is entitled to be reimbursed from the Fund in respect of a range of costs and expenses in relation to the proper performance of its duties which include, but are not limited to, costs associated with the Constitution (including amendments), custodial fees, unit holders meetings, audit fees, government duties and taxes, brokerage, paid independent research, performance attribution and consultancies relating to the Fund.

CONSULTANCY AND RESEARCH FEES

The Manager is entitled to pay out of the assets of the Fund various research and consultancy fees or industry consultants' expenses, including legal, accounting or investment banking, relating to advice in connection with securities, industries or asset classes in which the Fund invests.

PERFORMANCE FEE

By applying for units in the Fund, you also agree to pay the Manager a performance fee. The performance fee is calculated and paid monthly in arrears directly from the Fund. The performance fee is 10% of the Fund's out-performance of the Benchmark plus GST. Set out below is a description of the workings of the performance fee formula. Sample workings and the complete formula may be obtained from the Manager.

For these purposes:

"Benchmark" means the S&P/ASX 200 Accumulation Index.

"Opening Fund Value" means the dollar value of the Fund at the beginning of the Performance Period less redemptions made during the Performance Period. If redemptions are greater than the Opening Value during the Performance Period, then the Manager does not receive a performance fee for that Performance Period.

"Performance Period" means the period from the Starting Date to the last day of the month for which the performance fee is being calculated.

"Starting Date" means, over a rolling three year period:

- (a) the first day after the Performance Period for which the last performance fee was paid or, if none was paid during the previous three years: then
- (b) the first day after the date being 36 months prior to the last day of the month for which the performance fee is being calculated (for example, if a performance fee is being calculated for the Performance Period ended 30 June 2011, and no performance fee has been accrued for the previous three years, then the Starting Date for that Performance Period is 1 July 2008. If no performance fee is accrued for the Performance Period ended 30 June 2011, the Starting Date for the Performance Period ending on 31 July 2011 will be 1 August 2008).

OUTLINE OF THE PERFORMANCE FEE FORMULA

1. Performance will be calculated for each Performance Period. The performance fee will be calculated on the Opening Fund Value. If the Manager is entitled to a performance fee it will be paid monthly directly from the Fund.
2. A performance fee will be accrued and paid in any Performance Period if the accumulated performance (after the management fee and management expenses but before the performance fee) of the Fund from the Starting Date until the end of the current Performance Period exceeds the accumulated performance of the Benchmark over the same time. In effect, under-performance relative to the Benchmark since a performance fee was last taken must be made up before further performance fees are taken.

For example, if the Fund out-performs the Benchmark in month 1, then a performance fee is accrued and paid at the end of month 1. If the Fund under-performs the Benchmark in month 2, then no performance fee is paid. If, in month 3, the Fund out-performs the Benchmark but the performance from the start of month 2 to the end of month 3 is still under-performing then, again, no performance fee is paid.

If the Fund out-performs the Benchmark in month 4, and the performance from the start of month 2 (i.e. the Starting Date) to the end of month 4 also out-performs the Benchmark, then a performance fee is accrued and paid based on the performance from the start of month 2 to the end of month 4.

FEES AND EXPENSES

3. If the test set out above is met then the dollar out-performance payment for that period is calculated by multiplying the Opening Fund Value by 10% (the performance fee %) of the out-performance (the amount the Fund exceeds the Benchmark performance) over the Performance Period. For example, if the Benchmark returned 5% in the period and the Fund returned (after management fees and expenses but before performance fees) 8% and the fund value at the beginning of the period was \$1000, then the performance fee would be \$3.00 [$\$1000 \times 10\% \times (8\% - 5\%)$] plus GST.

DETAILS OF THE PERFORMANCE FEE FORMULA

1. Performance is calculated on the Net Asset Value ("NAV") per unit before accrued performance fees. The NAV will not accrue negative performance fees. However, performance fees which have accrued will be paid to the Manager monthly.
2. Performance fees are accrued and paid only when the test outlined above is satisfied (i.e. at the end of the Performance Period). Unit holders should consider this when deciding on the timing of any investment or redemption.
3. Valuations occur weekly (close of business each Tuesday) and at month end to enable unit allotments or redemptions to occur at the time of any cash movements in or out of the Fund.
4. The performance fee is paid from the Fund directly and is not individually invoiced to unit holders, other than in the circumstances detailed below. This saves unnecessary record keeping by unit holders.
5. There are circumstances where the Manager will not accrue performance fees even though an individual unit holder's money is out-performing. For example, if money comes in during a time when performance is behind the Benchmark and the Fund out-performs subsequently (that is, from the

date of the new money inflow), the Manager is not entitled to a performance fee until the Fund's performance exceeds the Benchmark since the Starting Date. In this instance, the Manager reserves the right to invoice the unit holder separately for performance fees on funds invested in the Fund based on 10% of the out-performance from the date the funds were first invested. Direct invoices to the unit holder will be raised monthly until the unit holder is in the same position as all other unit holders (that is, a performance fee has accrued in respect of the entire Fund and is paid out of the Fund). No invoice will be sent to a unit holder separately in respect of any Performance Period for which the Fund has been billed.

6. If a unit holder redeems units before the end of the Performance Period, the Manager reserves the right to invoice separately the equivalent of a performance fee based on similar principles as outlined above. That is, a unit holder's dollar funds invested at Starting Date, or the date they were allotted units in the Fund subsequent to the Starting Date, multiplied by 10% of the out-performance from the relevant date to the date of redemption.

ADJUSTMENT AFTER PARTICIPATION IN BUY BACKS

Participation in buy-backs (see page 19) that are at a discount price will result in an adjustment to the performance calculation.

The adjustment mechanism will reflect the difference between VWAP for the relevant shares traded on the ASX on the buy-back price announcement date and the buy-back price received for those shares successfully tendered. The difference will be treated as a cash outflow when calculating the performance return for the month and the performance fee will be adjusted accordingly.

HOW TO INVEST IN THE FUND

MINIMUM INVESTMENT

The minimum initial investment in the Fund (and the minimum holding) is \$500,000 and the minimum subsequent investment is \$50,000, or with the prior approval of the Manager by transfer of property of a kind previously agreed with the Manager (in these circumstances an investor is required to meet the associated stamp duty and any other applicable costs of transfer). The Manager may, in its absolute discretion, reduce the minimum investment, the minimum holding or the subsequent minimum investment in the Fund. The offer of units contained in this Information Memorandum is restricted to those persons to whom, or those situations where, the issuing of a product disclosure statement is not required under Part 7.9 of the Corporations Act. By lodging an application form in respect of the offer of units contained in this Information Memorandum you declare and warrant to the Manager that you are and will remain a wholesale client within the meaning of Section 761G of the Corporations Act.

Units are not certificated. The Custodian keeps a register of unit holdings.

APPLICATIONS FOR UNITS

To invest in the Fund, initially investors must complete and sign the application form attached to this Information Memorandum and return it to us at the address shown together with all the information referred to on the form. Subsequent investments need not be made on the application form, however notification must be given to the Manager in writing. The Manager may reject an application for units in the Fund in whole or part without giving a reason for the rejection.

Units will be allotted at the unit price calculated at the close of business on each Tuesday and on the last day of each month. If, by 1.00pm each Tuesday or the last business day of the month, the Manager has received notification from the Custodian that the application monies have been received as cleared funds and the Manager has received a completed application form (in the case of initial investments) or other written notification (in the case of subsequent investments), units will be allotted at the unit price calculated at the close of business on that Tuesday or the last day of the month.

A unit is taken to be issued to a unit holder on the earlier of:

- the time the unit price variables are determined in accordance with the Constitution, or
- the unit pricing date which the Manager has instructed the Custodian to apply to that application for units.

The Custodian will send unit holders a confirmation of allotment.

The application price of units is the Net Asset Value of the Fund divided by the number of units on issue at the time of allocation plus 0.3% (being the Transaction Costs). By applying for units an investor agrees to be bound by the terms of the Constitution and this Information Memorandum, both as amended from time to time, whilst the investor remains a unit holder in the Fund.

REDEMPTION OF UNITS

Units may be redeemed on each Tuesday and on the last day of each month. In the normal course of business, one business day's written notice of intention to withdraw is required prior to the requested withdrawal date. We may, in our absolute discretion, demand a longer notice period or accept a shorter notice period, or a redemption amount less than \$50,000. The withdrawal price payable on redemption is the Net Asset Value divided by the number of units on issue at the time of redemption less 0.3% (being the Transaction Costs). At the Manager's discretion, proceeds of redemption may be paid in cash, stock or a combination of both. Generally, the proceeds of redemption requests will be paid within 20 business days of the redemption notice. The Manager has the power to initiate a redemption request.

The Manager will not accept net redemptions in excess of 20% of the Net Asset Value in any rolling 6 month period except in exceptional circumstances (which determination will be in the Manager's absolute discretion). For example, if in any prior 6 months, gross redemptions minus gross applications are greater than 20% of the current Net Asset Value, then a redemption request will be refused until such time as the percentage falls below 20%.

Further, under the Constitution of the Fund, the Manager is not obliged to offer unit holders the opportunity to make, or to give effect to, a redemption request. The circumstances in which the Manager may not give effect to all or part of a redemption request may include (although not be limited to) situations where:

- an exchange or market on which the investments in the Fund are quoted is closed or suspended;
- in the opinion of the Manager, it is not practicable to sell investments in the usual time frame or where disposal would be prejudicial to other unit holders (e.g. a large single redemption, or a number of significant redemptions together or adverse market conditions);
- in the opinion of the Manager, the Net Asset Value of the Fund cannot reasonably or fairly be ascertained;

HOW TO INVEST IN THE FUND

- the Fund is unable to repatriate funds to make payments on redemption; or
- at a time when a transfer of funds cannot, in the opinion of the Manager, be effected at normal rates of exchange.

If the Manager does refuse to give effect to all or part of a redemption request, it will advise the unit holder as soon as practical of such refusal. Subject to the above rule of a maximum of redemptions equalling 20% of the current Net Asset Value in any rolling 6 month period, the Manager will use reasonable endeavours to give effect to the redemption request as soon as possible thereafter, and in an orderly manner, which may involve giving effect to the redemption request by treating it as a series of smaller requests over a number of weeks or months.

DISTRIBUTIONS

The Fund will distribute income, if any, half-yearly as at the end of December and June, or more regularly at our discretion, in proportion to unit holdings. Distributions will be re-invested automatically in additional units in the Fund on the next business day after the half year, unless a unit holder elects to receive a cash distribution.

Cash distributions will be paid in A\$ and will normally be paid within 30 Business Days from the end of the distribution period. The Constitution allows us to vary the distribution frequency without notice. You may elect to have your distributions paid to you by cheque by completing the relevant section of the application form. If you do not nominate how you wish to receive your income distributions, your distribution will be automatically re-invested as additional units in the Fund. Such re-invested units will be issued on the first business day of the next distribution period as if you had applied for units in the Fund.

Your distributions are calculated on the basis of your per unit share of distributable income (including realised capital gains) of the Fund for the entire distribution period and not just for the period you hold your units.

Unit prices fall after the end of the distribution period to reflect the distribution entitlements. If you invest just before the end of a distribution period, you may find that you get an immediate return of some of your investment capital as income and this may, depending on your circumstances, give rise to a tax liability. Therefore, you should carefully consider the timing of your investment in this product. Similarly, if you withdraw your investment before the last day of the distribution period, you will receive your share of any accrued income as capital. Further, realised capital gains during the financial year to June are distributed to unit holders in July. Investors in the Fund will receive their share of realised capital gains irrespective of when

they purchased the units in the Fund. This may give rise to a tax liability. We recommend you speak with a financial adviser or tax adviser to determine your own situation.

A distribution statement will be dispatched to all unit holders estimating the taxable income and available credits as soon as possible after the year-end. It is anticipated that the statement will be available by 31 July of each year. A final tax statement will be issued by 30 September each year.

VALUATION OF UNITS

Unit prices are calculated on each Tuesday and at the end of each month (close of business) based on the Net Asset Value of the Fund divided by the number of Units on issue.

The Constitution allows unit prices to be adjusted for Transaction Costs. In the case of the application price, the price will be increased by 0.3%, and in the case of the redemption price, the price will be reduced by 0.3%. There are no other entry or exit fees.

The Constitution provides that the Manager may determine valuation methods and policies from time to time. It is the Manager's policy that a different methodology will be applied to applications and redemptions which are significant in size relative to the total Net Asset Value of the Fund. In these cases, when calculating the unit price, the assets acquired or disposed of with those application or redemption monies (and any associated brokerage, taxes and foreign exchange costs) will not be included in the definition of Net Asset Value on the unit pricing date related to that application or redemption, but will be included in the next unit pricing date. The Manager has adopted this policy because it believes that it is most equitable to all unit holders.

REPORTING

As an investor in the Fund you are entitled to receive regular reports, including:

- A quarterly investment and performance report;
- An income distribution statement after each distribution;
- Annual taxation statement;
- Annual audited financial statements of the Fund;
- A transaction statement each time you make an investment or withdrawal; and
- A monthly statement.

See page 5 of the application form to elect your method of receiving reports.

ADDITIONAL INFORMATION

ALLOCATIONS BETWEEN CI FUNDS

Where CI is offered securities which are the subject of initial public offerings or placements CI will allocate securities between portfolios and funds managed by CI in accordance with its Allocations and Dealing Policy. We will provide a copy of the Allocations and Dealing Policy to unit holders on request.

CUSTODIAN

The Manager has appointed National Australia Bank Limited (ABN 12 004 044 937) as the custodian of the assets of the Fund ("NAB" or "Custodian"). The Custodian's role is limited to holding the assets of the Fund as agent of the Manager. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this Information Memorandum and has not authorised or caused the issue of it.

NAB has given and not withdrawn its consent to be named in this Information Memorandum.

Investments in the Fund do not represent investments in, deposits with or other liabilities of, NAB or any other member of the NAB group of companies ("NAB Group"). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of the Manager.

CONSTITUTION

The Constitution of the Fund, dated 25 June 2002 (as amended), governs your rights and obligations as a unit holder. Unit holders are bound by the provisions of the Constitution. The Constitution and the general law regulate the Fund and set out rights and liabilities of unit holders and the responsibilities and duties of the Manager.

Some of the provisions of the Constitution are discussed elsewhere in the Information Memorandum. Others relate to:

- the nature of units;
- how we must calculate unit prices, and what you are entitled to receive when you withdraw or the Fund is wound up; and
- your right to share in any Fund income, and how we calculate it.

There are also provisions governing our powers and duties including:

- our powers to invest, borrow and generally manage the Fund, which are practically unrestricted (subject to our duty to act in the best interest of the Fund);
- we have discretion to refuse transfers and applications;
- we can amend the Constitution (CI will notify you in writing of any material amendments);
- we can terminate the Fund and then give you notice of our decision, and if we do, return your share in the net proceeds from us selling the assets of the Fund;
- we can retire as trustee if we give unit holders not less than one month's notice; and
- we can charge fees and recover expenses.

We will provide a copy of the Constitution on request by a unit holder or potential investor.

For the duration of this Information Memorandum, the Manager intends to charge the fees detailed on pages 13 and 14. However, under the Constitution, the Manager is entitled to receive higher fees.

AUTHORISED ASSETS AND LIABILITIES

Pursuant to the Constitution of the Fund, the Manager has wide investment powers and may use a variety of investment tools, including the following:

- International and Australian listed securities
- Cash
- Cash Borrowing
- Fixed Interest
- Exchange Traded Options
- Foreign Exchange Contracts and options on those contracts
- Debt Instruments
- Derivatives
- Unlisted Securities
- Units or shares in listed and unlisted funds that predominantly invest in listed securities, including other funds managed by CI
- Stock Lending

See page 3 for the current structure of the Fund.

ADDITIONAL INFORMATION

RISKS

When making any investment, the potential risks, and how they can affect the investor, need to be considered carefully. The Fund, as a result of its strategies, will deviate materially from broader stock indices. Every investment is influenced by many factors that can affect both its value and the income it produces and the investment can decline as well as increase in value. As a Fund that invests in the stock market, market risk is significant.

Under the Constitution, the Fund can use derivatives, debt and other forms of leverage that could potentially increase the amount of the gains or losses from the investments made. International stocks, commodities and alternative securities can expose the investor to international market risk and currency risks if not hedged, in addition to extra volatility.

In evaluating the Fund and its prospects, investors should also consider the following:

- the success and profitability of the Fund will depend on the ability of the Manager to make investments which will increase in value over time;
- the value of the assets of the Fund may be affected by the general economic environment, legislation or government policy or other factors beyond the control of the Manager. As a result, no guarantee can be given in respect of the future earnings of the Fund or the earnings or capital appreciation of the Fund's investments; and
- the past performance of this Fund and other funds and portfolios managed by CI are not necessarily a guide to future performance of the Fund.

In addition, unit holders should consider the following specific risks.

Exchange rate risk – Where the Fund purchases assets denominated in a foreign currency, currency movements between the Australian dollar and the relevant foreign currency might lead to gains or losses in the value of the assets. The Manager may or may not hedge its exposure to foreign currency movements in respect of such assets (see page 3). However unit holders should be aware that hedging also carries its own risks.

Derivatives risk – The Fund can use derivatives, including Exchange Traded Options, to gain exposure to underlying assets or currencies on a leveraged basis. The Fund can suffer losses in excess of the amounts committed to relevant derivatives. The Fund will also be exposed to the risk that a

derivative may not necessarily reflect the performance of the underlying asset or currency to which it is exposed. In addition, the Fund will be exposed to the counterparty risk that the other party to the derivative may not perform its obligations under the derivative.

Foreign Investment risk – When the Fund holds assets in another jurisdiction it will be exposed to different legal systems, foreign currency controls, different economic and political systems, foreign legislation and foreign taxation all of which may adversely impact on the Fund. See "Investment Strategy" on page 3.

REGISTER OF UNIT HOLDERS

Units are not certificated. The Custodian maintains a register of unit holders.

COMPLAINTS

If you have any queries or complaints please contact us in writing (see page 22). We will acknowledge your query or complaint in writing within 14 days after receipt of the complaint. We will then give proper consideration to the complaint and advise you of the outcome within 45 days after receipt of the complaint.

PRIVACY

CI respects your privacy and is committed to protecting your personal information. CI only collects personal information about you if it is necessary for one or more of our functions. We collect and use your personal information to provide services to you and to keep you updated in relation to the Fund's development and activities. The specific types of information we collect and reasons for collection may vary depending on particular circumstances. The types of organisations we might disclose your personal information to include the Australian Taxation Office, financiers, accountants and auditors, legal advisers and other professionals.

You may gain access to the personal information CI holds about you, subject to certain exemptions under the Privacy Act 1988 (Cth). If you would like to make a request for access, please contact CI. Please note that we reserve the right to charge reasonable fees for any costs incurred by us when complying with such a request.

ADDITIONAL INFORMATION

CI POLICIES

CI will provide a copy of any of the following policies to unit holders on request:

- Brokerage and Soft Dollar Benefits Policy
- Privacy Policy
- Code of Ethics
- Fraud and Corruption Policy
- Allocations and Dealing Policy
- Currency Hedging Policy
- Environmental, Social and Governance Policy (see page 6)

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF Laws") regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

CI is bound by the AML/CTF laws. By making an application to invest in the Fund, an investor agrees that:

- it does not subscribe to the Fund under an assumed name;
- any money used by the investor to invest in the Fund is not derived from or related to any criminal activities;
- any proceeds from the investor's investment will not be used in relation to any criminal activities;
- if we ask, the investor will provide us with additional information we reasonably require for the purposes of AML/CTF Laws (including information about a holder of a security, any beneficial interest in the securities, or the source of funds used to invest);
- CI may obtain information about an investor or any beneficial owner of a security from third parties if we believe this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws we may be required to take action, including;
 - delaying or refusing the processing of any application or redemption; or
 - disclosing information that we hold about an investor to our related bodies corporate or service providers, or relevant regulators of AML/CTL Laws (whether in or outside of Australia).

TAXATION

As taxation is complex and different investors have different circumstances you should seek professional taxation advice prior to making an investment decision. The Manager does not know the individual taxation position of unit holders and therefore will not take it into account in making investment decisions.

Generally, it is not expected that the Fund will pay income tax because the net income of the Fund will be distributed to investors. Depending on your taxation position you may be liable to tax on your share of the net income of the Fund.

The Australian Government has enacted legislation so that a trust which qualifies as an eligible managed investment trust ("MIT") can elect to treat the trust's "covered assets" (primarily, shares, units and real property) on capital account. In this case you may obtain the benefit of the CGT discount and other tax concessions (where applicable) on distributions of capital gains you receive from the trust.

The Fund currently qualifies as an eligible MIT and has made the capital account election. However you should be aware that eligibility as an MIT rests on the Fund meeting a 'widely held' test and a 'closely held' test and this could be subject to change should the make-up of the Fund's investors change, and could result in the Fund's investments being treated as held on revenue account rather than on capital account.

If you redeem units you may be liable to pay CGT. In certain circumstances you may qualify for a CGT discount on taxable capital gains arising on the redemption of your units or in respect of capital gains distributed by the Fund.

PARTICIPATION IN CLASS ACTIONS

CI may or may not participate in Shareholder Class Actions as it deems appropriate and may make and act upon such a decision without consulting investors.

PARTICIPATION IN BUY-BACKS

CI reserves the right to participate in share buy-backs (see page 14) that may be for less than the market price in order to gain access to franking credits and capital losses resulting from participation. Performance will be adjusted for any discount to market price.

ADDITIONAL INFORMATION

FURTHER INFORMATION

The preceding information is only a summary of some of the general features of the Fund and should be considered by investors in the context of and subject to any further information made available by CI.

For further information about the Fund and its investments, or to receive a copy of the Constitution, please contact CI.

Current performance information and quarterly reports are available on our website www.cooperinvestors.com.

APPOINTMENT OF AUTHORISED NOMINEE

A person, partnership or company may be appointed as an investor's authorised nominee by having the relevant section of the application form executed. The authorised nominee (if it is a company or partnership, including any person we reasonably believe is an authorised officer of the company or a partner in the partnership) may provide investment instructions in respect of the Fund, prepare, sign and provide requests to redeem units in the Fund, advise of changes to your details in respect of your investment in the Fund, and obtain information about your investments in the Fund. This appointment can be cancelled at any time by notice in writing to CI. All joint unit holders must sign the appointment or cancellation.

By appointing an authorised nominee the investor:

- releases, discharges and agrees to indemnify CI and the Fund from and against any and all losses, liabilities, actions, proceedings, accounts, claims and demands arising from the fraud, negligence or appointment of or purported exercise of powers by the authorised nominee or in connection with the use of the facility;
- agrees that a payment or purported payment (the payment) made in accordance with the requests or instructions of the authorised nominee shall be in complete satisfaction of our obligations to the extent of the payment, notwithstanding any fact or circumstance including that the payment was requested, made or received without the investor's knowledge or authority; and
- agrees that if payment is made in accordance with the request or instructions of the authorised nominee, the investor shall have no claim against us in relation to the payment.

DEFINITIONS

"Derivative" means an instrument that derives its value from the value of an underlying financial product (such as shares, share price indices, fixed interest securities, commodities, currencies etc).

"Exchange Traded Options" means options (which may be puts or calls) over securities listed on a stock exchange.

"IM" means this Information Memorandum.

"Net Asset Value" means the gross market value of all assets of the Fund including stock, cash, accrued income entitlements and debtors, less any accrued portfolio related liabilities, fees and expenses.

"Securities" means shares in, or debentures of a body corporate or interests in a registered managed investment scheme; or legal or equitable rights or interests in any of those or options to acquire any of those. It does not cover a derivative, a market traded option or commodities.

"Transaction Costs" means the Manager's estimate of the costs associated with the acquisition or disposal of assets in the Fund resulting from an application or redemption of Units and includes actual costs such as brokerage and taxes together with an allowance for the market impact of acquiring or disposing of those assets.

TERMS AND CONDITIONS

This Information Memorandum relates to the offer to subscribe for units in the Fund, and has been prepared and issued by Cooper Investors Pty Limited ("CI") in its capacity as trustee of the Fund. CI has been issued an Australian Financial Services Licence (No 221794) ("AFSL") by the Australian Securities and Investments Commission ("ASIC"), which authorizes it to operate the Fund.

WHOLESALE CLIENT

An application for units in the Fund is limited to investors that are wholesale clients as set out in section 761G(7) of the Corporations Act.

JURISDICTIONAL ISSUES

This Information Memorandum does not constitute and should not be construed as an offer, invitation or recommendation by CI to investors to apply for units in the Fund in any state, country or jurisdiction (other than Australia) where such offer, invitation or recommendation may not be lawfully made.

In particular, the information contained in this Information Memorandum is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities or services in the United States to or for the benefit of any person in the United States. The Fund has not been registered in the United States under the Investment Company Act of 1940 and units in the Fund are not registered in the United States under the Securities Act of 1933.

NO REGISTRATION

This Information Memorandum is not a product disclosure statement for the purposes of Part 7.9 of the Corporations Act. The level of disclosure in this Information Memorandum is less than that of a product disclosure statement, prospectus or similar disclosure document. A copy of this Information Memorandum does not need to be, and has not been, lodged with ASIC.

NOT INVESTMENT ADVICE

In providing this Information Memorandum, CI has not taken into account your objectives, financial situation or needs and accordingly the provision of this Information Memorandum is not personal advice for the purposes of Section 766B(3) of the Corporations Act. No party warrants that an investment in the Fund is a suitable investment for you. To the maximum extent permitted by law, none of CI, its directors, employees, consultants, advisers or agents accept any liability, howsoever caused, to any person relating in any way to reliance on information contained in this Information Memorandum.

CI strongly recommends that you read this Information Memorandum in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the material contained in this Information Memorandum.

NO GUARANTEE

None of CI, its directors, employees, consultants, advisers or agents guarantee the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund or an investment in the Fund generally. As with any investment there are inherent risks in investing in the Fund, including the risk that the investment in the Fund is speculative, that the investment may result in a reduction in the capital value of the investment, loss of income and returns that are less than expected or delays in the repayment of capital.

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Peter Cooper
Andrew Swan
Stephen Thompson

UNIT HOLDER INQUIRIES

Email: backoffice@cooperinvestors.com

COMPLIANCE/LEGAL INQUIRIES (Requests for information)

Email: compliance@cooperinvestors.com

CUSTODIAN

National Australia Bank Limited*
Level 12, 500 Bourke Street
Melbourne, Victoria 3000

AUDITORS

PricewaterhouseCoopers*
Freshwater Place
2 Southbank Boulevard
Southbank, Victoria 3006

LAWYERS

Mallesons Stephen Jaques*
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Sydney, New South Wales 2000

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CI AUSTRALIAN EQUITIES FUND APPLICATION FOR UNITS

(IM DATED 16 APRIL 2012)



SECTION 1 – How to Apply

Please complete this form and post it to with the documents referred to in Section 2 and with your cheque (payable to "CI Australian Equities Fund") or details of your direct credit to the following account:

Bank: National Australia Bank
Account Name: NCS CI Applications Account
BSB: 083-043
Account Number: 57-139-0284

SECTION 2 – Investor Details

Name of Investor as it will appear on Register of Unit Holders

Tax File Number of Investor and/or ABN

Note: The collection and use of TFNs is strictly regulated by the tax laws and the Privacy Act 1988 (Cth). You are not required by law to provide your TFN, however, if you do not provide it, tax may be deducted from your distributions at the highest marginal tax rate. If you require further information on the use and collection of TFNs contact the Australian Tax Office.

All applicants must tick to indicate type of investor and then complete the relevant part of this Section 2.

- INDIVIDUAL – complete Section 2.1
- COMPANY – complete Section 2.2
- TRUST – with a trustee who is an individual – complete Sections 2.1 and 2.3
- TRUST – with a corporate trustee – complete Sections 2.2 and 2.3
- OTHER – Please contact Cooper Investors to obtain the correct Customer Identification Form which needs to be included with this Application Form

(see part 2.4 for requirements for certified documents)

SECTION 2.1 – Individual Investor

If you hold the Units jointly with another person, each person must complete the information in this section.

- A. Your full name
- B. Your residential address (this must not be a PO Box)
- C. Your postal address
- D. Your date of birth
- E. If you are not an Australian resident, your country of citizenship
- F. Are you a US person (a citizen or resident of the United States) Yes No
- G. In which country(s) are you a tax resident
- H. If you are a sole trader:
 - Your full business name
 - Full address of the principal place of business
 - ABN (if any)

Please provide one of the following documents:

- An original **certified** copy of your Australian driver's licence
Your drivers licence must be current and contain a photograph of you. Please make a copy of both the front and back of the driver's licence.
- An original **certified** copy of your passport
Your passport must be current or have expired no more than 2 years before the date of this form. The passport must contain a photograph of you. If your passport is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.
- An original **certified** copy of a card issued under a law of an Australian State or Territory for the purpose of proving your age.
Your identification card must be current and contain a photograph of you. Please make a copy of both the front and back of the card.

SECTION 2.2- Corporate Investor

- A. Full name of the company as registered with ASIC
- B. Full address of the company's registered office
- C. Full address of the company's principal place of business

D. ACN and Australian financial services licence number and details of any other licence held (if applicable)

ACN:

Licence details:

E. Is the company registered by ASIC as a proprietary company or public company?

Proprietary Public

Note: a proprietary company is typically identified by the use of 'Pty Ltd' or 'Pty Limited' at the end of its name. A public company is one that is typically identified by the use of 'Ltd' or 'Limited'.

F. If you are a Proprietary company list the names of each director of the company

Director 1 – Director 3 –

Director 2 – Director 4 –

Note: if the company has more than 4 directors please provide additional details on a separate piece of paper that is marked with the name of the company and include it with this Application Form.

Tick here if you have included details of additional directors

G. If the company is a listed company, the name of the relevant market/exchange.

H. If the company is a majority-owned subsidiary of an Australian listed company, the name of the Australian listed company and the name of the relevant market/exchange

I. List the name and address of each beneficial owner of the company:

Beneficial Owner 1

Name –

Address –

Is the beneficial owner a US person (citizen or resident of the United States)? Yes No

In which country(s) is the beneficial owner a tax resident?

Beneficial Owner 2

Name –

Address –

Is the beneficial owner a US person (citizen or resident of the United States)? Yes No

In which country(s) is the beneficial owner a tax resident?

Note: A beneficial owner is any individual who owns through one or more share holdings more than 25% of the issued capital of the company. Beneficial owners must be individuals and cannot be companies or trustees. There cannot be more than 4 beneficial owners of a company. If the company has more than 2 beneficial owners please provide additional details on a separate piece of paper that is marked with the name of the company and include it with this Application Form.

Tick here if you have included details of additional beneficial owners

J. Please tick the category of investor that best describes you:

1 Complying superannuation fund that has at least 50 members

2 Complying approved deposit fund that has at least 50 members

3 Life insurance company

4 An Australian resident trust that:

4.1 is a managed investment scheme (as defined by section 9 of the Corporations Act 2001); and

4.2 is operated by a financial services licensee (as defined by section 761A of that Act) whose licence covers operating such a managed investment scheme; and

4.3 satisfies one of the following conditions:

(a) your units are listed for quotation in the official list of an approved stock exchange in Australia; or

(b) you have at least 50 members.

5 An Australian resident trust that:

5.1 is a managed investment scheme (as defined by section 9 of the Corporations Act 2001); and

5.2 is operated by a financial services licensee (as defined by section 761A of that Act) whose licence covers operating such a managed investment scheme; and

5.3 satisfies one of the following conditions:

(a) your interests are owned directly by an entity in investor category 1, 2, 3 or 4 above; or

(b) your interests are owned indirectly by an entity in investor category 1, 2, 3 or 4 above through a chain of Australian resident trusts that satisfy paragraphs 5.1 and 5.2.

6 Other investor

Please provide:

- An original **certified** copy of the Certificate of the Registration of the company as issued by ASIC.

SECTION 2.3 – Trusts

- Complete Section 2.1 with the Trustee's details and this Section with details of the Trust if your Trust has a Trustee who is an individual.

- Complete Section 2.2 with the Trustee's details and this Section with details of the Trust if your Trust has a corporate Trustee.

A. Full name of the trust

B. Full business name (if any) of the trustee in respect of the trust

Note: A trust does not need to have a trustee which has a business name.

C. Type of trust

Note: Common examples of a type of trust would be 'Family Trust', 'Superannuation Fund' or 'Deceased Estate'.

Are you a Managed Investment Trust (MIT) for tax purposes Yes No

D. The country in which the trust was established

E. The full name and address of each trustee of the trust

Trustee 1

Name –

Address –

Trustee 2

Name –

Address –

Note: If the trust has more than 2 trustees please provide additional details on a separate piece of paper that is marked with the name of the trust and include it with this Form.

Tick here if you have included details of additional trustees

F. Information must be collected regarding the beneficiaries of the trust. This is either:

i) If the beneficiaries are identified by name, the full names of each beneficiary of the trust:

Beneficiary 1 –

Beneficiary 2 –

Beneficiary 3 –

Beneficiary 4 –

Beneficiary 5 –

Note: If the trust has more than 5 beneficiaries please provide additional details on a separate piece of paper that is marked with the name of the trust and include it with this Identification Form.

Tick here if you have included details of additional beneficiaries

OR

ii) If the beneficiaries are identified by reference to membership of a class, provide details of the class:

Please provide:

- An original **certified** copy of an extract of the trust deed for the trust. The extract must include the full name of the trust. A full certified copy of the trust deed is not required; **and**
- An original **certified** copy of a notice (such as a notice of assessment) issued by the Australian Taxation Office in the name of the trust within the last 12 months; **or**
- An original **certified** copy of a letter from an accountant or solicitor dated within the last 3 months confirming the name and existence of the trust.

SECTION 2.4 – How to certify a document

Each document provided with this form must be certified by an acceptable certifier. We will not accept photocopies or faxes of a certification.

Please ask the certifier to include the following certification on the front page of the document:

Details of certifier:

First name	<input type="text"/>		
Last name	<input type="text"/>		
Phone number	<input type="text"/>	Category of Certifier (refer to list below)	<input type="text"/>

Statement by certifier:

I certify that this is a true and correct copy of the original document provided to me.

OR

I certify that this page and the following _____ pages are true and correct copies of the original document provided to me.

Signature of the Certifier Date (dd/mm/yyyy)

Acceptable certifiers

- a legal practitioner enrolled in a Supreme Court of a State, or Territory or the High Court of Australia
- a judge of a court
- a magistrate
- a chief executive officer of a Commonwealth court
- a registrar or deputy registrar of a court
- a Justice of the Peace
- a notary public
- a police officer
- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services
- a permanent employee of the Australian Postal Corporation who supplies postal services
- an Australian consular officer or Australian diplomatic officer
- an officer with 2 or more continuous years service with one or more financial institutions
- a finance company officer with 2 or more continuous years service with one or more finance companies.
- an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more years continuous service with one or more licensees
- a member of the Institute of Chartered Accountants in Australia, CPA Australia, or the National Institute of Accountants with 2 or more years continuous membership

SECTION 3 – Contact Details

Name of primary contact	
<input type="text"/>	
Telephone (BH)	Telephone (AH)
<input type="text"/>	<input type="text"/>
Facsimile	Email
<input type="text"/>	<input type="text"/>

SECTION 4 – Investment Details

Application amount (minimum investment is \$500,000)

OR

By transfer of property with the prior approval of the Manager* Yes

* where an investor has obtained the prior approval of the Manager to transfer property in satisfaction of the minimum investment amount, the investor must provide a copy of the relevant transfer instrument evidencing transfer of the property in favour of the Manager.

Reinvest distribution (tick applicable)

Yes (go to section 6) No

SECTION 5 – Bank Account Details (if distribution not re-invested)

Cheque Direct Credit

Account name	Bank	
<input type="text"/>	<input type="text"/>	
Branch	BSB	Account number
<input type="text"/>	<input type="text"/>	<input type="text"/>

SECTION 6 – Reporting Requirements (optional)

Please add me and/or my Authorised Nominee (see Section 7) to the following distribution lists:

Unit price reports

Yes	No	Email Address	2nd Email Address (Optional)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

Monthly Performance Reports

Yes	No	Email Address	2nd Email Address (Optional)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

Transaction Statements & Monthly Statements

Yes	No	(If Yes)	By Fax	Email	Post
<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Email Address			2nd Email Address (Optional)		
<input type="text"/>			<input type="text"/>		

Quarterly Commentary

Yes	No	Email Address	2nd Email
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

SECTION 7 – Appointment of Authorised Nominee (optional)

You may appoint an authorised nominee to act on your behalf, on the terms set out on page 20 by completing this section. An authorised nominee must be at least 18 years of age.

1. I/We hereby appoint (*Full name of authorised nominee*):

PO Box/Street Address:

As my/our authorised nominee to do the following things in respect of my/our investment in the CI Australian Equities Fund;

- provide investment instructions in respect of the Fund;
- prepare, sign and provide requests to redeem units in the Fund;
- give directions in relation to payment of distributions;
- advise of changes to my/our details in respect of my investment in the Fund; and
- obtain information about my/our investment in the Fund.

2. Applicant 1

Signature: Date: / /

3. Applicant 2 – (*If there is no Applicant 2, please strike out this section*)

Signature: Date: / /

I agree to be bound by the provisions set out on page 20 of the Information Memorandum dated 16 April 2012 under the heading Appointment of Authorised Nominee and I understand the terms of the Authorisation hereby given to me.

4. Authorised nominee

Signature: Date: / /

SECTION 8 – Execution

I/We declare that:

all details in this application are true and correct;

I/we have read and understood the Information Memorandum attached to this application and agree to the terms and conditions contained in it and to be bound by the Information Memorandum and the Constitution for the CI Australian Equities Fund;

I/we have legal power to invest in accordance with this application; and

I/we are not using the proceeds of an eligible termination payment paid within 6 months of the date of this application from a regulated superannuation fund to apply for my/our interest in the Fund.

I/We acknowledge that the Manager:

is under no obligation to accept this application in part or in full; and

does not guarantee the performance of the Fund, the return of capital invested or whether any income will be generated by the investments of the Fund.

SIGNATURE OF APPLICANT 1

DATE

SIGNATURE OF APPLICANT 2 (if more than one individual applicant)

DATE

OR SIGNATURE OF DIRECTOR

SIGNATURE OF DIRECTOR/SECRETARY

NAME OF DIRECTOR

NAME OF DIRECTOR/SECRETARY



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